

103D CONGRESS  
1ST SESSION

# H. R. 770

To establish for Certain Employees of International Organizations an Estate  
Tax Credit Equivalent to the Limited Marital Deduction.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1993

Mr. GIBBONS introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To establish for Certain Employees of International Organi-  
zations an Estate Tax Credit Equivalent to the Limited  
Marital Deduction.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       SECTION 1. GENERAL RULE.—Subchapter C of  
4       chapter 11 is amended by adding at the end thereof the  
5       following new section:

6       **“SEC. 2210. CREDIT EQUIVALENT TO LIMITED MARITAL DE-**  
7                               **DUCTION IN CASE OF CERTAIN EMPLOYEES**  
8                               **OF INTERNATIONAL ORGANIZATIONS.**

9       “(a) GENERAL RULE.—In the case of a decedent to  
10       whom this section applies, the tax determined under sec-

1 tion 2001(b) or 2101(b) (whichever is applicable) shall be  
2 reduced by the applicable marital transfer credit deter-  
3 mined under subsection (c).

4 “(b) DECEDENTS TO WHOM SECTION APPLIES.—  
5 This section shall apply to a decedent if—

6 “(1) as of the date of the decedent’s death—

7 “(A) both the decedent and the surviving  
8 spouse of the decedent were not citizens of the  
9 United States and not lawful permanent resi-  
10 dents of the United States, and

11 “(B) either the decedent or the surviving  
12 spouse of the decedent was a qualified inter-  
13 national organization employee, and

14 “(2) the executor of the decedent’s estate  
15 waives the benefits of section 2056(d)(2).

16 “(c) APPLICABLE MARITAL TRANSFER CREDIT.—

17 “(1) ESTATES TAXABLE UNDER SECTION  
18 2001.—

19 “(A) IN GENERAL.—If the estate of the  
20 decedent is taxable under section 2001, the ap-  
21 plicable marital transfer credit is the excess  
22 of—

23 “(i) a tentative tax computed under  
24 section 2001(c) on the sum of the marital  
25 transfer amount plus \$600,000, over

1           “(ii) a tentative tax computed under  
2           section 2001(c) on \$600,000.

3           If the amount of the adjusted taxable gifts of  
4           the decedent exceeds \$600,000, the amount of  
5           such gifts shall be substituted for ‘\$600,000’ in  
6           clauses (i) and (ii).

7           “(B) LIMITATION ON MARITAL TRANSFER  
8           AMOUNT.—The amount of the marital transfer  
9           amount taken into account under subparagraph  
10          (A) shall not exceed the lesser of—

11                   “(i) \$600,000, or

12                   “(ii) the excess of the sum referred to  
13                   in section 2001(b)(1) over \$600,000.

14          “(2) ESTATES TAXABLE UNDER SECTION  
15          2101.—If the estate of the decedent is taxable under  
16          section 2101, the applicable marital transfer credit  
17          shall be determined under the principles of para-  
18          graph (1) with the following modifications—

19                   “(A) the \$600,000 amount set forth in  
20                   subparagraph (B)(i) shall be reduced by the de-  
21                   duction equivalent of the unified credit, and

22                   “(B) the deduction equivalent of the uni-  
23                   fied credit shall be substituted for ‘\$600,000’  
24                   each place it appears in paragraph (1) other  
25                   than subparagraph (B)(i).

1       “(d) SPOUSE BECOMES CITIZEN.—This section shall  
2 not apply in any case in which paragraph (1) of section  
3 2056(d) does not apply by reason of paragraph (4) of such  
4 section.

5       “(e) OTHER DEFINITIONS.—For purposes of this  
6 section—

7               “(1) QUALIFIED INTERNATIONAL ORGANIZA-  
8 TION EMPLOYEE.—The term ‘qualified international  
9 organization employee’ means any full-time employee  
10 of an international organization whose principal  
11 place of employment with such organization is in the  
12 United States.

13              “(2) MARITAL TRANSFER AMOUNT.—The term  
14 ‘marital transfer amount’ means the amount which  
15 would have been allowable as a deduction under sec-  
16 tion 2056 or 2106(a)(3) (whichever is applicable) if  
17 section 2056 were applied without regard to sub-  
18 section (d) thereof.

19              “(3) ADJUSTED TAXABLE GIFTS.—The term  
20 ‘adjusted taxable gifts’ has the same meaning as  
21 when used in section 2001 or 2101, whichever is ap-  
22 plicable.

23              “(4) DEDUCTION EQUIVALENT OF UNIFIED  
24 CREDIT.—The term ‘deduction equivalent of unified  
25 credit’ means, with respect to any estate taxable

1       under section 2101, the amount on which the ten-  
2       tative tax determined under section 2001(c) would  
3       equal the unified credit allowed under section  
4       2102(c).”

5       SEC. 2. CLERICAL AMENDMENT.—The table of sec-  
6       tions for subchapter C of chapter 11 is amended by adding  
7       at the end thereof the following new item:

“Sec. 2210. Credit equivalent to limited marital deduction in case  
of certain employees of international organiza-  
tions.”

8       SEC. 3. EFFECTIVE DATE.—The amendments made  
9       by this section shall apply to the estates of decedents dying  
10      after the date of the enactment of this Act.

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